

AMENDED IN SENATE APRIL 24, 2003

AMENDED IN SENATE APRIL 9, 2003

AMENDED IN SENATE MARCH 25, 2003

SENATE BILL

No. 21

Introduced by Senator Machado

December 2, 2002

An act to *amend Section 11361 of the Government Code, and to add Sections 79505.5, 79522, 79532, 79533, 79534, 79535, 79540.1, 79541.1, 79542.1, 79543.1, 79544.1, 79544.2, 79547, 79547.2, 79555, 79560.5, 79562.5, 79564.1, 79564.5, 79568.5, and 79571.5 to the Water Code, relating to water.*

LEGISLATIVE COUNSEL'S DIGEST

SB 21, as amended, Machado. Water: Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002.

The

(1) The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, an initiative measure approved by the voters at the November 5, 2002, statewide general election, authorizes the state to issue general obligation bonds in the amount of \$3,440,000,000 for the purposes of the act.

This bill would require various state agencies, including the State Department of Health Services, the State Water Resources Control Board, and the Department of Water Resources, to establish guidelines for the purposes of implementing the act, and to convene and consult with a public advisory committee composed of certain representatives to assist each of those state agencies in carrying out that task. *The bill would authorize state agencies implementing certain provisions of the*

act to include in these guidelines a requirement for matching funds but only if the guidelines include a waiver process for economically disadvantaged communities and severely economically disadvantaged communities, and a preference for grants to economically disadvantaged communities and severely economically disadvantaged communities. The bill would require each state agency to inform the Legislature as to its guidelines and would authorize the allocation of bond funds subject to those respective guidelines 60 days after the date on which the state agency informs the Legislature. The bill would require state agencies that are required to implement certain provisions of the act to inform the Legislature as to each recipient of bond funds, the amount of each expenditure made during the previous fiscal ~~year~~ year, and the amount of bond funds available for implementation of those respective provisions of the act.

The bill would require state agencies to award grants pursuant to certain provisions of the act on a competitive statewide basis and would require the State Department of Health Services to allocate certain grant money available to southern California water agencies on a competitive basis for projects to reduce Colorado River water use, including projects undertaken jointly with other entities.

The bill would declare the intent of the Legislature, of the funds made available for the purposes of desalination projects, to enact ~~in~~ subsequent legislation, to appropriate at least \$10,000,000 for feasibility studies. The bill would establish various other requirements relating to the implementation of the act.

(2) Existing law requires state agencies to adopt regulations in accordance with prescribed procedures and requirements and requires the Office of Administrative Law to review adopted regulations and to make certain determinations.

This bill would exempt the adoption or revision of regulations, guidelines, or criteria that implement the act from those provisions, and would instead require a public participation process.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares the
2 following:



(a) In order to protect the intent of the voters in approving the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Division 26.5 (commencing with Section 79500) of the Water Code), it is necessary and desirable that that act be implemented in as open and transparent manner as is practicable.

(b) It is further necessary and desirable that the public be directly involved in the development of guidelines governing project solicitation, criteria, and evaluation to the maximum extent practicable.

(c) Funds made available by that act are limited relative to apparent need. Therefore, both of the following implementing measures are necessary and desirable:

(1) Expenditures, including expenditures for loans and grants, pursuant to that act should be made on a competitive basis and evaluated solely on merit and need.

(2) Projects that meet the needs of economically disadvantaged communities *and severely economically disadvantaged communities* and projects that provide net environmental benefits should receive a preference in funding.

(d) To ensure that that act is implemented in accordance with the intent of the voters, it is necessary and desirable for agencies that implement that act to report annually on all of the following matter:

(1) The guidelines and procedures developed through a public advisory process.

(2) The geographic distribution of funds allocated pursuant to that act and the intended public benefit provided by those expenditures.

(3) The balance of funds available by that act for expenditures, including expenditures for loans and grants.

SEC. 2. *Section 11361 of the Government Code is amended to read:*

11361. This chapter does not apply to the adoption or revision of regulations, guidelines, or criteria to implement the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 (the Villaraigosa-Keeley Act) (Chapter 1.692 (commencing with Section 5096.300) of Division 5 of the Public Resources Code) *or the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002*

(Division 26.5 (commencing with Section 79500) of the Water Code). The adoption or revision of regulations, guidelines, or criteria, if necessary to implement ~~that act~~ those respective acts, shall instead be accomplished by means of a public process reasonably calculated to give those persons interested in their adoption or revision an opportunity to be heard.

SEC. 2.5. Section 79505.5 is added to the Water Code, to read:

79505.5. As used in this division, the following terms shall have the following meanings:

~~(a) “Economically disadvantaged communities” means ____.~~

(a) “Economically disadvantaged community” means a community with an annual median household income of thirty-seven thousand dollars (\$37,000) or more, but less than forty-seven thousand dollars (\$47,000), and an unemployment rate that is more than 7 percent, but not more than 9 percent, based on the most recent federal census.

(b) “Matching funds” means funds made available by other than this division, donated services from nonstate sources, or both.

(c) “Net environmental benefits” means ____.

(d) “Safe drinking water standards” means state and federal safe drinking water standards and maximum contaminate levels and action levels, including the United States Environmental Protection Agency’s Stage 1 Disinfectants and Disinfection By-Products Rule.

(e) “Severely economically disadvantaged community” means a community with an annual median household income of less than thirty-seven thousand dollars (\$37,000) or an unemployment rate that is more than 9 percent, based on the most recent federal census.

SEC. 3. Section 79522 is added to the Water Code, to read:

79522. (a) Funds made available pursuant to Section 79520 shall be appropriated to the State Department of Health Services for statewide competitive grants.

(b) The State Department of Health Services, at a minimum, shall convene and consult with a public advisory committee for the purposes of developing solicitation and evaluation guidelines for awarding grants under Section 79520.

(c) The public advisory committee shall be composed of representatives of interested federal, state, and local governmental agencies, regional water management groups and other regional

1 resource planning groups, public and private water agencies,
2 agricultural interest groups, environmental interest groups, public
3 interest groups, *nonprofit interest groups*, and other interested
4 parties.

5 (d) The public advisory committee shall provide advice and
6 comments to the State Department of Health Services on project
7 solicitation and evaluation, including, at a minimum, funding
8 priorities and criteria for evaluating grant proposals.

9 (e) Based on the advice and comments of the public advisory
10 committee, the State Department of Health Services shall develop
11 project solicitation and evaluation guidelines. The State
12 Department of Health Services shall inform the Legislature as to
13 the project solicitation and evaluation guidelines developed under
14 this section.

15 (f) Funds for awarding grants under this section are available
16 for allocation 60 days after the date on which the State Department
17 of Health Services informs the Legislature on the project
18 solicitation and evaluation guidelines.

19 (g) Beginning January 1, 2005, the State Department of Health
20 Services shall inform the Legislature as to the recipient and the
21 amount of each grant awarded during the previous fiscal year
22 under this chapter. The information shall include data on the
23 geographic distribution of grants awarded under this chapter and
24 the intended public benefit those grants provide. The information
25 shall also include data on the balance of funds available under this
26 chapter for grants in that current fiscal year and future fiscal years.

27 SEC. 4. Section 79532 is added to the Water Code, to read:

28 79532. (a) Funds made available pursuant to subdivision (b)
29 of Section 79530 shall be administered in accordance with this
30 section.

31 (b) Grants shall be awarded on a competitive basis among
32 southern California water agencies.

33 (c) For the purposes of this chapter, “southern California water
34 agencies” means water agencies whose service area is entirely or
35 partly in one or more of the following counties: San Diego,
36 Imperial, Riverside, Orange, Los Angeles, San Bernardino, or
37 Ventura.

38 (d) Grants may be awarded to southern California water
39 agencies for projects undertaken jointly by one or more southern
40 California water agencies and other entities.

(e) A project funded by a grant made pursuant to subdivision (b) of Section 79530 shall meet both of the following requirements:

(1) The project will assist the grantee to meet safe drinking water standards.

(2) The project will assist the grantee to meet the state's commitment to reduce Colorado River water use to 4.4 million acre-feet per year.

SEC. 5. Section 79533 is added to the Water Code, to read:

79533. (a) The State Department of Health Services, at a minimum, shall convene and consult with a public advisory committee for the purposes of developing solicitation and evaluation guidelines for awarding grants under subdivision (b) of Section 79530.

(b) The public advisory committee shall be composed of representatives of interested federal, state, and local governmental agencies, regional water management groups and other regional resource planning groups, public and private water agencies, agricultural interest groups, environmental interest groups, public interest groups, *nonprofit interest groups*, and other interested parties.

(c) The public advisory committee shall provide advice and comments to the State Department of Health Services on project solicitation and evaluation, including, at a minimum, funding priorities and criteria for evaluating grant proposals.

(d) Based on the advice and comments of the public advisory committee, the State Department of Health Services shall develop project solicitation and evaluation guidelines. The guidelines may include a requirement for matching funds, but only if the guidelines also include a waiver process for economically disadvantaged communities *and severely economically disadvantaged communities*. The guidelines may also include a cap on the size of grants awarded pursuant to subdivision (b) of Section 79530. The guidelines shall include a preference for grants to economically disadvantaged communities *and severely economically disadvantaged communities*.

(e) The State Department of Health Services shall inform the Legislature as to the project solicitation and evaluation guidelines developed under this section. Funds for awarding grants pursuant to subdivision (b) of Section 79530 are available for allocation

1 days after the date on which the State Department of Health
2 Services informs the Legislature.

3 SEC. 6. Section 79534 is added to the Water Code, to read:

4 79534. (a) Funds made available pursuant to paragraphs (1)
5 to (5), inclusive, of subdivision (a) of Section 79530, and not for
6 the purposes of subdivision (b) of that section, shall be
7 administered in accordance with this section.

8 (b) Grants shall be awarded on a statewide competitive basis.
9 A project that is eligible for funding for the purposes of
10 subdivision (b) of Section 79530 is not eligible for a grant subject
11 to this section.

12 (c) The State Department of Health Services, at a minimum,
13 shall convene and consult with a public advisory committee for the
14 purposes of developing solicitation and evaluation guidelines for
15 awarding grants under this section.

16 (d) The public advisory committee shall be composed of
17 representatives of interested federal, state, and local governmental
18 agencies, regional water management groups and other regional
19 resource planning groups, public and private water agencies,
20 agricultural interest groups, environmental interest groups, public
21 interest groups, *nonprofit interest groups*, and other interested
22 parties.

23 (e) The public advisory committee shall provide advice and
24 comments to the State Department of Health Services on project
25 solicitation and evaluation, including, at a minimum, funding
26 priorities and criteria for evaluating grant proposals.

27 (f) Based on the advice and comments of the public advisory
28 committee, the State Department of Health Services shall develop
29 project solicitation and evaluation guidelines. The guidelines may
30 include a requirement for matching funds, but only if the
31 guidelines also include a waiver process for economically
32 disadvantaged communities *and severely economically*
33 *disadvantaged communities*. The guidelines may also include a
34 cap on the size of grants awarded pursuant to this section. The
35 guidelines shall include a preference for grants to economically
36 disadvantaged communities *and severely economically*
37 *disadvantaged communities*.

38 (g) The State Department of Health Services shall inform the
39 Legislature as to the project solicitation and evaluation guidelines
40 developed under this section. Funds for awarding grants subject to

1 this section are available for allocation 60 days after the date on
2 which the State Department of Health Services informs the
3 Legislature.

4 SEC. 7. Section 79535 is added to the Water Code, to read:

5 79535. Beginning January 1, 2005, the State Department of
6 Health Services shall inform the Legislature as to the recipient and
7 the amount of each grant awarded during the previous fiscal year
8 under this chapter. The information shall include data on the
9 geographic distribution of grants awarded under this chapter and
10 the intended public benefit those grants provide. The information
11 shall also include data on the balance of funds available under this
12 chapter for grants in that current fiscal year and future fiscal years.

13 SEC. 8. Section 79540.1 is added to the Water Code, to read:

14 79540.1. (a) Funds made available pursuant to *Section 79540*
15 shall be administered in accordance with this section.

16 (b) Grants shall be awarded on a statewide competitive basis.

17 (c) The board, at a minimum, shall convene and consult with
18 a public advisory committee for the purposes of developing
19 solicitation and evaluation guidelines for awarding grants under
20 this section.

21 (d) The public advisory committee shall be composed of
22 representatives of interested federal, state, and local governmental
23 agencies, regional water management groups and other regional
24 resource planning groups, public and private water agencies,
25 agricultural interest groups, environmental interest groups, public
26 interest groups, *nonprofit interest groups*, and other interested
27 parties.

28 (e) The public advisory committee shall provide advice and
29 comments to the board on project solicitation and evaluation,
30 including, at a minimum, funding priorities and criteria for
31 evaluating grant proposals.

32 (f) Based on the advice and comments of the public advisory
33 committee, the board shall develop project solicitation and
34 evaluation guidelines. The guidelines may include a requirement
35 for matching funds, but only if the guidelines also include a waiver
36 process for economically disadvantaged communities *and*
37 *severely economically disadvantaged communities*. The
38 guidelines may also include a cap on the size of grants awarded
39 pursuant to this section. The guidelines shall include a preference

1 for grants to economically disadvantaged communities *and*
2 *severely economically disadvantaged communities.*

3 (g) The board shall inform the Legislature *as to* the project
4 solicitation and evaluation guidelines developed under this
5 section. Funds for awarding grants pursuant to Section 79540 are
6 available for allocation 60 days after the date on which the board
7 informs the Legislature.

8 (h) Beginning January 1, 2005, the board shall inform the
9 Legislature as to the recipient and the amount of each grant
10 awarded the previous fiscal year pursuant to Section 79540. The
11 information shall include data on the geographic distribution of
12 grants awarded under Section 79540 and the intended public
13 benefit those grants provide. The information shall also include
14 data on the balance of funds available under Section 79540 for
15 grants in that current fiscal year and future fiscal years.

16 SEC. 9. Section 79541.1 is added to the Water Code, to read:

17 79541.1. Beginning January 1, 2005, the secretary shall
18 inform the Legislature as to the recipient and the amount of each
19 expenditure, loan, or grant awarded during the previous fiscal year
20 pursuant to Section 79541. The information shall include data on
21 the geographic distribution of those expenditures, loans, or grants
22 awarded under Section 79541 and the intended public benefit
23 those expenditures, loans, or grants provide. The information shall
24 also include data on the balance of funds available under Section
25 79541 for expenditures, loans, or grants in that current fiscal year
26 and future fiscal years.

27 SEC. 10. Section 79542.1 is added to the Water Code, to read:

28 79542.1. Beginning January 1, 2005, the California Tahoe
29 Conservancy shall inform the Legislature as to the seller and the
30 amount of each expenditure made during the previous fiscal year
31 pursuant to Section 79542. The information shall include data on
32 the geographic distribution of expenditures under Section 79542
33 and the intended public benefit those expenditures provide. The
34 information shall also include data on the balance of funds
35 available under Section 79542 for expenditures in that current
36 fiscal year and future fiscal years.

37 SEC. 11. Section 79543.1 is added to the Water Code, to read:

38 79543.1. Beginning January 1, 2005, the board shall inform
39 the Legislature as to the recipient and the amount of each
40 expenditure, grant, and loan made during the previous fiscal year

1 pursuant to Section 79543. The information shall include data on
2 the geographic distribution of expenditures, grants, and loans
3 awarded under Section 79543 and the intended public benefit
4 those expenditures, grants, and loans provide. The information
5 shall also include data on the balance of funds available under
6 Section 79543 for expenditures, grants, and loans in that current
7 fiscal year and future fiscal years.

8 SEC. 12. Section 79544.1 is added to the Water Code, to read:

9 79544.1. The secretary shall require all prospective grantees
10 for land and water acquisitions pursuant to Section 79544 to
11 include in the grant application a proposal for the long-term
12 management of the resource proposed to be acquired. The
13 proposal shall identify the agency or organization that will hold
14 title to the resource, including any state or federal agency to which
15 title may be transferred after acquisition, and the agency or
16 organization that will be responsible for managing and protecting
17 the water quality values of the resource.

18 SEC. 13. Section 79544.2 is added to the Water Code, to read:

19 79544.2. Beginning January 1, 2005, the secretary shall
20 inform the Legislature as to the recipient and the amount of each
21 acquisition funded during the previous fiscal year pursuant to
22 Section 79544. The information shall include data on the
23 geographic distribution of acquisitions funded under Section
24 79544 and the intended public benefit those acquisitions provide.
25 The information shall also include data on the balance of funds
26 available under Section 79544 for acquisitions in that current
27 fiscal year and future fiscal years.

28 SEC. 14. Section 79547 is added to the Water Code, to read:

29 79547. (a) Funds made available pursuant to Section 79545
30 shall be administered in accordance with this section.

31 (b) Grants shall be awarded on a statewide competitive basis.

32 (c) The department, at a minimum, shall convene and consult
33 with a public advisory committee for the purposes of developing
34 solicitation and evaluation guidelines for awarding grants under
35 this chapter. *The department may use more than one advisory*
36 *committee for the purpose of carrying out Section 79545.*

37 (d) The public advisory committee shall be composed of
38 representatives of interested federal, state, and local governmental
39 agencies, regional water management groups and other regional
40 resource planning groups, public and private water agencies,

1 agricultural interest groups, environmental interest groups, public
2 interest groups, *nonprofit interest groups*, and other interested
3 parties.

4 (e) The public advisory committee shall provide advice and
5 comments to the department on project solicitation and evaluation,
6 including, at a minimum, funding priorities and criteria for
7 evaluating grant proposals.

8 (f) Based on the advice and comments of the public advisory
9 committee, the board shall develop project solicitation and
10 evaluation guidelines. The guidelines may also include a cap on
11 the size of grants awarded pursuant to this chapter. ~~The guidelines~~
12 ~~shall include a preference for projects that provide a net~~
13 ~~environmental benefit.~~ *this chapter.*

14 (g) The department shall inform the Legislature as to the
15 project solicitation and evaluation guidelines developed pursuant
16 to this section. Funds for awarding grants pursuant to Section
17 79545 are available for allocation 60 days after the date on which
18 the department informs the Legislature.

19 (h) The department may not delay convening the public
20 advisory committee pursuant to subdivision (c) for the purposes of
21 receiving the report prepared pursuant to Section 12949.6.

22 (i) Beginning January 1, 2005, the department shall inform the
23 Legislature as to the recipient and the amount of each grant
24 awarded during the previous fiscal year under this chapter. The
25 information shall include data on the geographic distribution of
26 grants awarded under this chapter and the intended public and
27 environmental benefit those grants provide. The information shall
28 also include data on the balance of funds available under this
29 chapter for grants in that current fiscal year and future fiscal years.

30 (j) Of the funds made available for the purposes of subdivision
31 (a) of Section 79545, it is the intent of the Legislature to enact
32 subsequent legislation to appropriate at least ten million dollars
33 (\$10,000,000) for feasibility studies.

34 *SEC. 14.5. Section 79547.2 is added to the Water Code, to*
35 *read:*

36 *79547.2. For the purposes of implementing subdivision (a) of*
37 *Section 79545, the guidelines established pursuant to Section*
38 *79547 shall include a preference for projects for which the project*
39 *proponent demonstrates need and that the project will benefit the*
40 *environment and will cause no or minimal negative impacts to the*

1 *environment. For the purposes of carrying out this section, the*
2 *department shall consider all of the following:*

3 *(a) Impacts relating to saline water intake and outfall with*
4 *special consideration of impacts to sensitive habitats, such as*
5 *coastal wetlands, estuaries, or other sensitive coastal or marine*
6 *areas that may result from the implementation of the project.*

7 *(b) Project treatment of brine.*

8 *(c) A reduction in amounts of water diverted from streams or*
9 *rivers that support endangered or threatened species that may*
10 *result from the implementation of the project.*

11 *(d) A reduction in saltwater intrusion or groundwater overdraft*
12 *that may result from the implementation of the project.*

13 SEC. 15. Section 79555 is added to the Water Code, to read:
14 79555. The Legislature finds and declares all of the
15 following:

16 (a) According to the Environmental Water Account Operating
17 Principles Agreement, the environmental water account will
18 expire on September 30, 2004, unless extended by written
19 agreement among the management agencies and project agencies.

20 (b) The Environmental Water Account Operating Principles
21 Agreement also state that before the environmental water account
22 expires, the management agencies and project agencies will assess
23 the success of environmental water account operations and
24 analyze the potential impacts from new facilities and expanded
25 conveyance capacity. The agencies will then determine the
26 appropriate size and composition of an environmental water
27 account, as well as the environmental water account's sharing in
28 the benefits from new facilities, in the fifth and future years.

29 (c) If the Environmental Water Account is extended, it is the
30 intent of the Legislature to enact subsequent legislation requiring
31 that not less than 50 percent of the funds made available pursuant
32 to subdivision (d) of Section 79550 for acquisition of water for the
33 CALFED environmental water account be expended for
34 long-term water purchase contracts and water rights.

35 SEC. 16. Section 79560.5 is added to the Water Code, to read:
36 79560.5. The department and the board shall develop a joint
37 process for soliciting and reviewing proposals for grants pursuant
38 to Section 79560 to reduce the complexity and confusion of the
39 grant application process and to encourage greater coordination
40 and collaboration in funding between state agencies and programs.

1 SEC. 17. Section 79562.5 is added to the Water Code, to read:
2 79562.5. (a) Funds made available pursuant to Section
3 79560 shall be administered by the department and the board in
4 accordance with this section.

5 (b) Grants shall be awarded on a statewide competitive basis.

6 (c) The department and the board, at a minimum, shall convene
7 and consult with a public advisory committee for the purposes of
8 developing solicitation and evaluation guidelines for awarding
9 grants under this chapter.

10 (d) The public advisory committee shall be composed of
11 representatives of interested federal, state, and local governmental
12 agencies, regional water management groups and other regional
13 resource planning groups, public and private water agencies,
14 agricultural interest groups, environmental interest groups, public
15 interest groups, *nonprofit interest groups*, and other interested
16 parties.

17 (e) The public advisory committee shall provide advice and
18 comments to the department and the board on project solicitation
19 and evaluation, including, at a minimum, funding priorities and
20 criteria for evaluating grant proposals.

21 (f) Based on the advice and comments of the public advisory
22 committee, the department and the board shall develop project
23 solicitation and evaluation guidelines. The guidelines may include
24 a provision that authorizes the department and the board to
25 consider whether or not a project benefits an economically
26 disadvantaged community *or a severely economically*
27 *disadvantaged community* for the purposes of imposing
28 requirements relating to matching funds. The guidelines shall
29 include a preference for projects that provide a net environmental
30 benefit.

31 (g) The department and the board shall inform the Legislature
32 as to the project solicitation and evaluation guidelines developed
33 under this section. Funds for awarding grants pursuant to Section
34 79560 are available for allocation 60 days after the date on which
35 the department and the board inform the Legislature.

36 (h) Beginning January 1, 2005, the department and the board
37 shall each inform the Legislature as to the recipient and the amount
38 of each grant awarded during the previous fiscal year under this
39 chapter. The information shall include data on the geographic
40 distribution of grants awarded under this chapter and the intended

1 public and environmental benefit those grants provide. The
2 information shall also include data on the balance of funds
3 available under this chapter for grants in that current fiscal year
4 and future fiscal years.

5 *(i) (1) It is the intent of the Legislature that the department*
6 *award grants under this chapter on behalf of projects that are*
7 *consistent with an adopted integrated regional water management*
8 *plan that provides regional benefits similar to those provided by*
9 *the implementation of a regional plan prepared in accordance with*
10 *Part 2.2 (commencing with Section 10530) of Division 6.*

11 *(2) For the purposes of paragraph (1), an “integrated regional*
12 *water management plan” is a plan that is adopted by more than*
13 *one jurisdiction and addresses water quality and ecosystem*
14 *restoration needs, and may include components relating to flood*
15 *management, water supply reliability, groundwater recharge and*
16 *management, or any other purpose that is consistent with this*
17 *chapter.*

18 SEC. 18. Section 79564.1 is added to the Water Code, to read:

19 79564.1. (a) Of the funds made available by Section 79560,
20 not less than 40 percent shall be available for projects in northern
21 California and not less than 40 percent be available for projects in
22 southern California to the maximum extent possible, subject to a
23 determination by the administering agency that each project meets
24 all of the requirements of this chapter.

25 (b) For the purposes of this section, “southern California”
26 means the Counties of San Diego, Imperial, Riverside, Orange,
27 Los Angeles, San Bernardino, and Ventura.

28 (c) For the purposes of this section, “northern California”
29 means all California counties except those identified in
30 subdivision (b).

31 SEC. 19. Section 79564.5 is added to the Water Code, to read:

32 79564.5. To be eligible for financing by the department
33 pursuant to Section 79560.1, a project shall be consistent with an
34 adopted integrated regional water management plan as described
35 in subdivision (a) of Section 79564.

36 SEC. 20. Section 79568.5 is added to the Water Code, to read:

37 79568.5. It is the intent of the Legislature in subsequent
38 legislation to allocate fifty million dollars (\$50,000,000) from
39 funds available pursuant to Section 79568 as a minimum state
40 contribution or matching contribution for federal funds or funds

1 obtained from other sources, to assist in the implementation of the
2 preferred alternative or other related restoration activities,
3 including the program referred to in paragraph (3) of subdivision
4 (d) of Section 2081.7 of the Fish and Game Code, at the Salton Sea
5 or the lower Colorado River, or to assist in the development of a
6 natural community conservation plan that is consistent with the
7 initiative and that is implemented to effectuate the Quantification
8 Settlement Agreement.

9 SEC. 21. Section 79571.5 is added to the Water Code, to read:

10 79571.5. Beginning January 1, 2005, each state agency
11 expending funds pursuant to this chapter shall inform the
12 Legislature as to the recipient and the amount of each expenditure
13 or grant made during the previous fiscal year under this chapter.
14 The information shall include data on the geographic distribution
15 of expenditures and grants made under this chapter and the
16 intended public and environmental benefit that those expenditures
17 and grants provide. The information shall also include data on the
18 balance of funds available under this chapter for expenditures and
19 grants in that current fiscal year and future fiscal years.

